

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 49

Specialty License Plates

SPONSOR(S): Kelly

TIED BILLS:

IDEN./SIM. BILLS:

SB 1560

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1)	Roads, Bridges & Ports Policy Committee	18 Y, 1 N, As CS	McVay	Miller
2)	Economic Development & Community Affairs Policy Council			
3)	Transportation & Economic Development Appropriations Committee			
4)	Full Appropriations Council on Education & Economic Development			
5)				

SUMMARY ANALYSIS

CS/HB 49 provides for the creation of a "Let's Go Surfing" license plate. The annual use fee of \$25 per tag shall be distributed to East Coast Surfing Hall of Fame and Museum, Inc. CS/HB 49 also provides for the creation of a "Discover Florida's Horses" license plate. The annual use fee of \$25 per tag shall be distributed to the Florida Agriculture Center and Horse Park Authority. The act can be cited as the "Erik Jersted Memorial Act."

Specialty license plates must be specifically authorized pursuant to Florida Statutes. Section 320.08053, F.S., establishes requirements that organizations must meet to create a new specialty license plate, including a scientific survey performed by an independent sampling firm indicating that 30,000 motor vehicle owners would purchase the proposed plate at the increased cost, long and short term marketing plans addressing revenues and expenditures, and a \$60,000 application fee, among other requirements.

The fiscal impact of this bill is approximately \$120,000 to the Department of Highway Safety and Motor Vehicles (DHSMV) for implementation of the two new specialty license plates. The fiscal impact will be offset by the application fee of \$60,000 paid to DHSMV by each of the sponsoring organizations.

The East Coast Surfing Hall of Fame and Museum, Inc. and the Florida Horse Park have been approved by DHSMV and the Auditor General to pursue legislation for their respective specialty license plates and are not affected by the 2008 legislation limiting future specialty plates.

This act shall take effect October 1, 2009.

HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Currently, specialty license plates are available to any owner or lessee of a motor vehicle who is willing to pay an annual use fee for the privilege. Annual use fees ranging from \$15 to \$25, paid in addition to required license taxes and service fees, are distributed to an organization or organizations in support of a particular cause or charity signified in the plate's design and designated in statute. The Legislature may create a specialty license plate under its own initiative, or it can do so at the request of an organization. Under s. 320.08053, F.S., an organization may seek legislative authorization for a new specialty licensed plate by meeting a number of requirements.

An organization is first required to submit to the Department of Highway Safety and Motor Vehicles (DHSMV) the following:

- A request for the plate describing it in general terms.
- The results of a professional, independent, and scientific sample survey of Florida residents indicating that 30,000 vehicle owners intend to purchase the plate at the increased cost.
- An application fee of \$60,000 defraying the DHSMV's cost for reviewing the application, developing the new plate, and providing for the manufacture and distribution of the first run of plates.
- A marketing strategy for the plate and a financial analysis of anticipated revenues and planned expenditures.

These requirements must be satisfied at least 90 days prior to the convening of the next regular session of the Legislature. Once the requirements are met, DHSMV notifies the committees of the House of Representatives and Senate with jurisdiction over the issue, and the organization is free to find sponsors and pursue legislative action.

In 2008 the Legislature passed SB 1992, which included a moratorium on the issuance of specialty plates by DHSMV.¹ The moratorium is effective from October 1, 2008 to July 1, 2011, but contains an

¹ S. 45, 2008-176, Laws of Florida
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exception “for [any] specialty license plate proposal which has submitted a letter of intent to the Department of Highway Safety and Motor Vehicles prior to May 2, 2008.”²

Effect of Proposed Changes

This bill amends ss. 320.08056 and 320.08058, F.S.; authorizing the DHSMV to develop and issue a “Let’s Go Surfing” license plate and a “Discover Florida’s Horses” license plate upon payment of the appropriate license taxes and a \$25 special use fee.

Annual use fees collected from the sale of the “Let’s Go Surfing” license plate shall be distributed to the East Coast Surfing Hall of Fame and Museum, Inc. The East Coast Surfing Hall of Fame and Museum, Inc. will administer the fees and will use the proceeds as follows:

- up to 10 percent of the annual use fee revenue may be used for administration, promotion, and marketing of the plate, including the annual audit and compliance affidavit costs.
- all remaining proceeds shall be used to fund activities, programs, and projects to promote Florida’s surfing-related tourism, preserve Florida’s surfing history and heritage, preserve Florida’s surf and shores, and honor lifeguards who patrol Florida’s surf and shores.

Annual use fees collected from the sale of the “Discover Florida’s Horses” license plate shall be distributed to the Florida Agriculture Center and Horse Park Authority. The Florida Agriculture Center and Horse Park Authority will administer the fees and will use the proceeds as follows:

- a maximum of 5 percent of the proceeds may be used for the administration.
- a maximum of 5 percent of the proceeds may be used to promote and market the license plates.
- all remaining proceeds shall be used by the authority to promote Florida Agriculture Center and Horse Park located in Marion County; to support continued development of the park, including the construction of additional educational facilities, barns, and other structures; to provide improvements to the existing infrastructure at the park; and to provide for operational expenses of the Florida Agriculture Center and Horse Park.

The impact incurred by DHSMV as a result of this bill is approximately \$120,000. This impact is offset by the \$60,000 application fee each organization is required to pay. Revenue generated from the sale of these license plates is based on public interest and cannot be predicted.

The DHSMV has notified the Legislature that the East Coast Surfing Hall of Fame and Museum, Inc. and the Florida Horse Park have met the initial application and statutory requirements to pursue legislation for the “Let’s Go Surfing” specialty license plate and the “Discover Florida’s Horses” specialty license plate, respectively. In conformity with s. 320.08053(1)(b), F.S., the Auditor General has issued a report validating the Museum’s survey, and the Horse Park’s survey.³ This report also found that the “Let’s Go Surfing” plate and the “Discover Florida’s Horses” plate fall within the exception from the moratorium on new specialty license plates created by the 2008 Legislature, as both organizations submitted their materials before May 2, 2008.⁴

B. SECTION DIRECTORY:

Section 1. Gives the act the popular name the “Erik Jersted Memorial Act.”

Section 2. Amends s. 320.08056(4), F.S., providing for a \$25 annual use for the “Let’s Go Surfing” and “Discover Florida’s Horses” specialty license plates.

² *Id.*

³ Report No. 2009-129, Auditor General, February 2009.

⁴ *Id.*

Section 3. Amends s. 320.08058, F.S., creating the "Let's Go Surfing" and "Discover Florida's Horses" specialty license plates: providing for plate design and providing for the distribution and uses of the annual use fees.

Section 4 Provides an effective date of October 1, 2009.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

See fiscal comments below

2. Expenditures:

See fiscal comments below

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Individuals who apply for a "Let's Go Surfing" or "Discover Florida's Horses" license plate will be required to pay a \$25 annual use fee. It is impossible to determine how many people will purchase the plates because the sale of these license plates will be based on public interest. Therefore, the aggregate impact to the private sector cannot be determined.

D. FISCAL COMMENTS:

The impact incurred by DHSMV as a result of this bill is approximately \$120,000 in contract programming, labor, and product purchasing costs for the creation of the new specialty license plates. This impact is offset by the \$60,000 application fee each organization has paid. Revenue generated from the sale of these license plates is based on public interest and cannot be predicted.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable because the bill does not appear to: require counties or cities to spend funds or take action requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

2. Other:

None

B. RULE-MAKING AUTHORITY:

No additional rule making authority is required to implement the full provisions of this bill.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None

IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES

On March 4, 2009, the Roads, Bridges, and Ports Policy Committee reported the bill favorably with three amendments. The first amendment adopted by the Committee corrects a spelling error.

The second amendment adopted by the Committee provides for the creation of a “Discover Florida’s Horses” license plate.

The third amendment adopted by the Committee reduces from 25 percent to 10 percent, the amount of the annual use fee revenue that may be used by the East Coast Surfing Hall of Fame and Museum, Inc. for administration, promotion, and marketing of the plate.